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TO RUEHC/SECSTATE WASHDC 5104
INFO RUEHAC/AMEMBASSY ASUNCION 4041
RUEHBO/AMEMBASSY BOGOTA 2459
RUEHBU/AMEMBASSY BUENOS AIRES 1555
RUEHBR/AMEMBASSY BRASILIA 0973
RUEHCV/AMEMBASSY CARACAS 2144
RUEHPE/AMEMBASSY LIMA 6253
RUEHMN/AMEMBASSY MONTEVIDEO 4459
RUEHQT/AMEMBASSY QUITO 2456
RUEAIIA/CIA WASHDC
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SUBJECT: CHILE MEDIA REPORT -- June 23

Leading Stories

1. The World Bank's forecast of a cut in global growth affected stock markets worldwide and in Chile. In addition, the dramatic drop in the rate exchange in Chile has caused exporters to react and claim for the Ministry of Finance's intervention. The Government of Chile will submit a draft bill to relapse last week's ruling by the Office of the Comptrollership that banned the free distribution of morning-after pill in municipal health offices.

Obama-Bachelet

2. President Obama will receive President Bachelet in the Oval Office today. The Chilean president will be the second of Latin America to meet with Obama [in Washington, DC], after Brazilian Lula da Silva. Although the agenda is open, the Chilean Foreign Ministry said Bachelet would not bring up the topic of the Organization of American States vote for Cuba to reenter it. However, it does hope that President Obama will do so. The United States tends to consult with Brazil and Chile about these matters, especially since both governments have had a rapprochement with Cuba. Bachelet's agenda also includes bilateral cooperation on energy and the global financial crisis. (La Tercera, conservative, independent, circ. 101,000, 6/23)

3. Editorial: "The President's Visit to the United States" "It is positive and timely for Bachelet to meet with Barack Obama... to reconfirm not just the historic ties and mutual interests between our two countries, but also to underscore the flow and harmony in those relations over the past years. In fact, the absence of conflicts in the bilateral agenda is a reflection of the good quality of the bilateral relationship . . . This, however, does not mean there are no relevant issues that need to be addressed with determination. Such is the case of Chile's inclusion on the list of countries that don't respect Intellectual Property Rights . . . -- Chile has a debt on that matter --- and the absence of a double taxation agreement . . . The harmony in ties with the United States has become stronger now with the new President who has more in common with the coalition that has governed Chile for the past two decades than his predecessors ever did... It is in Chile's interest to maintain good relations with the United States, which is the main exponent of a development and political model based on premises that Chile fully shares... Chile is not part of the Group of Nations that have made 'anti-imperialism' the core of their diplomacy . . . With those nations Chile maintains cordial relations for mutual benefit, but hardly a refined synchrony (as with the United States) . . . The United States sees Chile as a trustworthy partner and a responsible actor in the region and that is an asset that Chile must

strategically value" (La Tercera, 6/23).

¶4. Bachelet's visit to Washington, D.C., to meet with President Obama will coincide with the visit of Georgian Chancellor Grigol Vashadze and Antonio Ledezma, the mayor of Caracas and a Chavez opponent, among others (La Segunda afternoon daily, 6/22).

¶5. Column by Ricardo Garcia, President of the Chilean-American Chamber of Commerce (AMCHAM) on Bachelet's trip to the United States: "This would be a good opportunity for the President to discuss with Chile's main commercial partner a topic of great importance that has been pending since the signature of the Free Trade Agreement: a double taxation agreement." (La Tercera, 6/23).

¶6. Column by Alberto Etchegaray, "Obama's Proposal: Reloaded Regulation" "Obama, Geithner and company presented their much awaited reform of the U.S. financial systems . . . The restrained reaction of the market, tacitly accepting Obama's proposal is an acknowledgement that new paradigms are now operating . . . Welcome to the new times." (Diario Financiero, business and financial, circ. 30,000, 6/23).

Terrorism

¶7. The "Mauricio Morales Autonomous Group" claimed responsibility for an explosive device placed in a branch office of the Citi-Edwards Bank in Santiago. Morales was an anarchist, who died in May when a bomb he was carrying detonated. (El Mercurio, conservative, influential newspaper-of-record, circ. 129,000, 6/23)

Energy

¶8. Energy Farms, formed by Chilean and U.S. investment funds, will invest USD 300 million to build wind parks in the Fifth and Seventh regions, which will start operating in 2011. (Estrategia, business and financial daily, 6/23)

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